

# China's Xi meets head of Taiwan's Kuomintang

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The leaders of China's and Taiwan's ruling parties met in Beijing on May 4. Xi Jinping and Eric Chu held an approximately one-hour discussion, during which the two expressed support for continued economic cooperation as well as for the 1992 agreement that established the "One China" policy.

Chu was in the Chinese capital as part of a three-day trip, which included a cross-strait cooperation event in Shanghai and a meeting with other high-ranking officials in the Chinese government on the weekend. Chu became head of the Kuomintang (Nationalist Party, KMT) in January following disastrous results for his party in November's local elections. Taiwanese President Ma Ying-jeou stepped down from the post. Chu is now viewed as a potential candidate in next year's presidential election.

The meeting between took place in Beijing's Great Hall of the People and was the first between Xi, acting in his capacity as head of the Chinese Communist Party (CCP), and Chu. It was also the first meeting between CCP and KMT party leaders in six years.

Both Xi and Chu expressed their support for the "One China" policy, in which both sides recognise that the island of Taiwan is Chinese territory, but agree to disagree on which is the legitimate government of China. Chu stated: "Hopefully the two sides can promote cooperation based on the 1992 consensus and work together on issues such as regional peace, environmental protection, and economic cooperation."

In this regard, Chu discussed with Xi several economic issues, including the possibility of Taiwan joining the Chinese-backed Asian Infrastructure Investment Bank (AIIB), China's "One Belt, One Road" trade initiative, and its Regional Comprehensive Economic Partnership (RCEP).

Taiwan has been blocked from taking part in each of

these by Beijing which is seeking to ensure that Taipei's involvement in the international agreements corresponds to its interpretation of the "One China" policy. In order to deal with China, countries must acknowledge that the mainland People's Republic represents the sole Chinese nation. Only a handful of nations now officially recognise the Republic of China on Taiwan as a state.

The AIIB is slated to open later this year, with 57 founding members. Taiwan was excluded from becoming one of those founders after Beijing demanded that it join under an "appropriate name." Chu's delegation suggested on Monday that Taiwan could apply as Chinese Taipei. Xi indicated that Beijing would "welcome" Taiwan's participation in the AIIB on these terms.

The "One Belt, One Road" trade initiative is a Chinese plan to organize economic development throughout Eurasia through the land-based Silk Road Economic Belt and the Maritime Silk Road, while the RCEP is a proposed free trade agreement (FTA) between the Association of South East Asian Nations (ASEAN) and the six countries with which it holds other FTAs—China, Australia, India, Japan, South Korea, and New Zealand.

Taiwan is interested in joining these projects but is wary of the political preconditions that Beijing may set in order to do so. In an effort to assuage these concerns, Xi stated during the meeting: "The two sides can consult with each other on an equal basis under the principle of 'One China,' and reach a reasonable arrangement."

Xi promised Chu that Taiwan would be given preferential treatment: "We are willing to give priority to Taiwan in opening-up. Our efforts to open up to Taiwan compatriots will be bigger." He continued,

“We will continue to protect the legitimate interests and rights of Taiwan businesses on the mainland and create a better environment for their development.”

A day before his meeting with Xi, Chu attended the tenth Cross-Strait Economic, Trade and Culture Forum in Shanghai and held a meeting on Saturday with Yu Zhengsheng, a top political advisor and member of the CCP Politburo Standing Committee.

The forum is a vehicle for CCP-KMT dialogue and began a year after the 2005 meeting between Xi’s predecessor, Hu Jintao, and then-KMT chief Lien Chan. That meeting marked an important thawing in relations between Taipei and Beijing.

Relations between Taiwan and mainland China had been tense for years. The KMT fled to Taiwan in 1949 in the wake of the Chinese Revolution. While the United States and its allies initially treated the KMT regime as the legitimate China, they began withdrawing their recognition of Taiwan in the 1970s, as Mao Zedong’s regime sought a rapprochement with the imperialist powers.

Since 2005, the KMT has drawn closer to Beijing, with Ma Ying-jeou winning the presidency in Taiwan in 2008 with promises to ease tensions and boost economic cooperation with China. Closer ties with the mainland, however, have not staved off the impact of the global economic slump. The Taiwanese economy has stagnated and youth unemployment hovers around 14 percent.

The KMT represents the wing of the ruling class on Taiwan that views even greater economic integration with China as their best option. It is opposed by the Taiwanese nationalist Democratic Progressive Party (DPP).

Tsai Ing-wen, the head of the DPP, chastised Chu’s meeting with Xi, accusing the KMT of accepting Beijing’s interpretation of the “One China” policy. She declared that only big business would benefit from cross-strait cooperation and called on Chu to consider Taiwan’s “national interest.”

The DPP, however, fully embraces capitalism and offers no genuine alternative to the Taiwanese masses. Its cautious advocacy of Taiwanese independence reflects the standpoint of layers of the ruling class whose interests are bound up with global exports and investment, and who feel threatened by Chinese competition.

In next year’s presidential election, the DPP hopes to exploit dissatisfaction with the economy and repeat the sweeping victory it registered in last November’s local elections.



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